



Minutes  
Committee No. 1  
Revenues, Disbursements, Water and Wastewater  
March 14, 2013

Committee #1 – Revenues, Disbursements, Water and Wastewater met on Thursday, March 14, 2013 at 8:00 AM in the City Hall, Council Chambers, 30 West Central Street, Chippewa Falls, WI.

Committee/Council Members present: Jane Lardahl, George Adrian, Brian Flynn, Bill Hicks.

Others Present: Finance Manager/Treasurer Lynne Bauer, City Planner Jayson Smith.

The meeting was called to order at: 8:00 AM.

**Item #1: Discuss work orders/agreements from Xcel Energy, AT&T, and Charter Communications to relocate their respective utility lines per the downtown entrance plan and make a funding recommendation to the City Council.**

City Planner Jayson Smith outlined the costs for relocating utility lines for the downtown entrance project. Estimated costs are \$494,800 with the majority of the costs stemming from electrical extension by Xcel Energy (\$443,929.01). Xcel Energy requires payment in full before they will order the necessary equipment to get started on the project. This project needs to be done before the City can move forward with other downtown entrance street projects and therefore the money is needed immediately. The City has discussed using TIF 11 revenues, or borrowing if necessary, to fund this project however due to the timing of this payment, the City agreed to use an advance from the General Fund. City Finance Manager Bauer didn't anticipate a cash flow issue but will come back to Committee #1 with a request for short-term financing if necessary.

**Motion by Flynn/Adrian** to recommend the Council move forward with the work orders/agreements from Xcel Energy, AT&T, and Charter Communications to relocate their respective utility lines per the downtown entrance plan using a cash advance from the General Fund until TIF 11 funds are available. **All present voting aye, motion carried.**

**Item #2: Update on financing for S E H project. Possible recommendations to the Council.**

City Planner Jayson Smith and Finance Mgr. Lynne Bauer presented information on a local financing option for the S E H project. At a previous meeting, Brian Reilly from Ehlers & Associates indicated he would contact our local bank as he proceeded through the

public bonding process. Jerry Jacobson, President of Northwestern Bank – Chippewa Falls, indicated he would be willing to finance this project on a draw-down type basis. After reviewing the Developer's Agreement, it was determined this option is viable. Mr. Jacobson indicated interest costs would be reduced using this option. In addition, Mr. Reilly predicts the City could save as much as \$32,000 in issuance costs using the Northwestern Bank financing.

**Motion by Adrian/Flynn** to recommend the Council approve funding the S E H project by purchasing Notes directly from Northwestern Bank. **All present voted aye, motion carried.**

**Item #3: Adjournment.**

**Motion by Flynn/Adrian** to adjourn at 8:27 AM. **All present voted aye. Motion carried.**

**Minutes submitted by:**  
**Lynne Bauer, Finance Mgr.**



WISCONSIN / MICHIGAN  
CUSTOMER CONTRIBUTION AGREEMENT - ELECTRIC

Advance Payment

February 26, 2013

Billing office use:

CHECK NUMBER	
CHECK DATE	
CRS ACCT #	
CRS BILL DATE	
PBC #	

Please Bill

Service (Tax) Address

Company/Customer City of Chippewa Falls  
Mailing Address 30 W. Central St.  
Mailing Address Chippewa Falls, WI 54729  
Mailing Address  
Phone Number  
Cell Phone #

Project Name Chippewa Manhole & Duct.  
Street Address Bridge St.  
City, St Zip Chippewa Falls, WI 54729  
County Chippewa

Nearest Valid Address

Designer Dan Klein  
Office Number 715-737-4203

Service Type	C&I	▼
Branch Code	CHIPPEWA FALLS	▼
Division Code	CF	

Advances - CIAC Refundable

Service Type	Work Order	Bus Unit	Object Acct	Subsidiary	Type of Work	Charge Code	Amount
Electric	11783195	11	438110	0011	WI Advance - C&I ▼	8478	\$443,929.01

Passport Design #	Proposed Install Date	Effective Date
106667	5/15/2013	Date Facilities Installed

AGREEMENT, made this date, February 26, 2013 by and between Northern States Power Company, a Wisconsin Corporation and wholly owned subsidiary of Xcel Energy Inc, hereafter referred to as the "Company", and City of Chippewa Falls hereinafter referred to as the "Customer".

The parties hereto, each in consideration of the agreements of the other, agree as follows:

1. ELECTRIC DISTRIBUTION FACILITIES EXTENSION. The Company agrees to install facilities and furnish electric service in the form of

120/240V single phase ▼ available for an estimated electric capacity kW demand of at

Chippewa Manhole & Duct.  
Bridge St.  
Chippewa Falls, WI 54729

Add'l description: This is the cost to remove the existing overhead double circuit and bury the new feeders in manhole and duct.

Said service shall be provided in accordance with the Company's rates, rules and regulations currently on file with the appropriate jurisdictional utilities commission, as hereafter supplemented, amended or modified.

SPECIAL PROVISIONS:

The City of Chippewa Falls will be responsible for any and all restoration work that will be associated with this project.

2. ESTIMATED CONTRIBUTIONS. The Customer agrees to pay the Company, as a contribution toward the cost of the extension, the estimated amount listed above. This amount represents an estimate of that portion of the total cost of the extension which the Company may charge to the Customer. The Customer, upon signing this agreement, accepts the terms and conditions attached.

3. RECALCULATION OF CONTRIBUTION. Upon completion of an extension which differs from the original design, the company will recalculate the amount of the Customer's contribution based upon the cost of the extension as built using the same formula as was used to determine the estimated Customer contribution. If, as a result of a design change, the "actual" Customer contribution exceeds the "estimated" Customer contribution by \$20.00 or more, the Customer shall pay the Company the difference, and/or, if the estimated Customer contribution exceeds the actual Customer contribution by \$20.00 or more, the Company will refund the difference to the Customer.

4. REFUND OF PORTION OF CUSTOMER CONTRIBUTION. If, at any time within 5 years of the date the extension is installed, additional Customers are provided electrical service from the extension, the Company shall refund a portion of the Customer's refundable contribution. If additional customers are provided service, the refund, if any, shall be equal to the greater of: 1) The number of new customers connected (per type of service) times the embedded cost allowance for that type of service in effect at the time of this agreement, less the estimated cost of any additional distribution facilities required for the additional customer(s); or (cont on next page)



Estimate Number: 81601-02-08-13:35:55

To: City of Chippewa Falls  
30 W. Central St  
Chippewa Falls, WI 54729  
Attn: Jayson Smith

Event Date: 6/1/2013 - -  
Event Description: City of Chippewa Falls Round-About & Beautification Project  
Event Address: Bridge St  
Chippewa Falls, WI 54729

In-House Labor Costs:	\$ 0
In-House Materials Costs:	\$ 0
Construction Labor Costs:	\$ 23,701.42
Construction Materials Costs:	\$ 5,559.24
Freight Charge:	\$ 0
Credits:	\$ 0
Subtotal:	\$ 29,260.66
Tax:	\$ 1,609.34
Total Due:	\$ 30,870.00
Paid:	\$ 0
Balance:	\$ 30,870.00

Submit Payment To: Charter Communication  
2701 Daniels Street  
Madison, WI 53718  
Attention: Connie Zink

Return this invoice with your payment.

Please note the cost reflected is an estimated cost and may be subject to change.

By paying this estimate, you are accepting to make payment before the commencement of the project.

\*\*\* Inquires: Connie Zink Phone: 608-288-6837 E-Mail: connie.zink@chartercom.com \*\*\*

CDSR0033-12.0  
MS3763  
AT&T WISCONSIN



**Estimate of Cost and Authority to Work  
Special Construction Charge and Invoice**

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03/11/2013

**FIXED PRICE BASIS**

Customer Request Number : 163545  
Project Number : 8924786

Date : 03/11/2013  
Customer ID : 128920

**Billing Information**

Billing Party's Name : CITY OF CHIPPEWA FALLS - CITY PLANNER

Phone : (715) 726-2729

Billing Address : 30 WEST CENTRAL STREET  
CHIPPEWA FALLS, WI 54729

Contact Name : JAYSON SMITH

Phone : (715) 726-2729

Work Description & Engineering Remarks : CUSTOMER REQUESTED AT&T FACILITY RELOCATION FOR CHIPPEWA FALLS' RIVERFRONT REVITALIZATION PROJECT AT SOUTHWEST CORNER OF BRIDGE AND SPRING STREETS. THIS WORK REQUIRES UP-FRONT PAYMENT & SIGNED CONTRACT. QUOTE REQUESTED BY JAYSON SMITH 12/6/12.

Expenses	Amount
Engineering Labor	\$ 2,613.02
Material Cost	\$ 2,426.18
Construction Labor	\$ 6,820.19
Contractor Cost	\$ 8,137.80
Misc. Tax	\$0.00
Total Estimated Costs	\$ 19,997.19

OSPE Representative: MICHAEL SIERACKI

Title: Customer Contract Specialist

Phone #: (262) 970-8418

**SEND PAYMENT TO:**  
**AT&T**  
**Custom Work Order Center**  
**220 Wisconsin Ave., 2nd Floor**  
**Waukesha, WI 53186**

2013 TIF 11 REVENUE: \$1,470,000		
TIF 11 REVENUE USES		
TIF 5 DEBT SERVICE	165,605.00	
TIF 12 EXPENSES	300,000.00	RLF CONTRIBUTION
	200,000.00	S.E.H. PAYMENT
	125,000.00	DOWNTOWN PLAN
REIMBURSE GEN FUND	240,000.00	JOINT DISPATCH
REIMBURSE GEN FUND	200,000.00	CASH
TIF 11 REVENUE BAL.	239,395.00	
UTILITY RELOCATION	494,800.00	
TIF 11 BALANCE/CASH	239,395.00	
UTILITY REL. BAL./NOTE	255,405.00	

2013 DOWNTOWN PROJECTS BOND		
TOTAL	2,569,403.00	15 YEAR TERM, 2.5% i
ANNUAL D/S	205,590.00	

2014 TIF 11 REVENUE: \$1,470,000		
TIF 11 REV.		
USES		
TIF 5 DEBT SER.	170,000.00	
S.E.H. DEBT SER.	675,000.00	
DWT. DEBT SER.	205,590.00	
TOTAL D/S	1,050,590.00	
TIF 11 REV.		
BALANCE	419,410.00	CASH REIMBURSE GF

Lynne Bauer

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From: Brian Reilly [breilly@ehlers-inc.com]  
Sent: Tuesday, March 12, 2013 2:45 PM  
To: Lynne Bauer; Jayson Smith  
Subject: Chippewa Falls - 2013 NANs, Northwestern Bank Proposal

Good afternoon-

Based on my conversation with Jayson yesterday, it seemed like a good idea to put the Bank's proposal in front of the Council at its meeting next Tuesday, contingent on whether or not the Title company was accepting of a draw feature on the City's financing.

I would offer the following as agenda language:

**2013 Note Anticipation Notes (SEH Project) – consideration and recommendation related to direct purchase of the Notes**

I will leave it to both of you as to whether or not you want to insert the Bank's name in the agenda item. It's obviously going to be mentioned in discussion. Regardless of the direction the Council wants to go, we won't have a binding proposal in front of them until the April 2<sup>nd</sup> meeting. I'm fairly certain the Bank would agree to hold the rate until then.

Please also let me know if there is anything you need from me for the meeting. As I previously mentioned, I had not previously planned on attending this meeting, so did set up something on my calendar. I think I could have rescheduled sometime last week, but Board packets are going out today with the agenda and related material, so I should probably honor that commitment. I would be happy to prepare a memorandum or other document(s) that you think would be helpful. Unfortunately, it cannot be known what the total cost differential is (including interest) until all the draws are made.

As of right now here is the fee budget for the NANs, as proposed:

Underwriting fees:	\$17,310 (\$6/\$1,000 -- probably would have been closer to \$3 or \$4)
Moody's:	\$10,000
Quarles:	\$8,500
Paying Agent:	\$1,000 (probably would have been closer to \$750)
Ehlers:	<u>\$19,850</u>
TOTAL:	\$56,660 (~2.00% of face amount)

With the Bank's proposal we can eliminate the UW fees, the Moody's fee and the paying agent fees. Quarles will probably be a little cheaper than the budget, as their will be no tax-exempt opinion either way and I am comfortable with us working at a 20% discount to full fee. We would be left with the following budget, subject to some minor revisions (downward):

Quarles:	\$8,500
Ehlers:	<u>\$15,850</u>
TOTAL:	\$24,350 (<1.00% of face amount)

The difference in fees alone is more than six months of estimated interest expense (I'm probably conservative on estimated interest rate). Additionally, the Bank's proposal would allow for pre-payment any time after closing. The commercial market option has us looking at a first optional pre-payment date of 10/1/14. Those are just the dollars and cents of things – there are other considerations that are not necessarily monetary that we can discuss, too.

Look forward to hearing from you. I am probably going to be out tomorrow, but in the rest of the week.

Brian

Brian Reilly, CFA, CIPFA

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